

Message Text

UNCLASSIFIED

PAGE 01 USUN N 01473 01 OF 02 240136Z

71

ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01

SCI-06 AEC-11 SPM-01 AGR-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 AID-20 CIEP-02 SS-20 STR-08 TAR-02

TRSE-00 USIA-15 PRS-01 SP-03 FEA-02 OMB-01 SWF-02

DRC-01 /259 W

----- 034524

R 240041Z APR 74

FM USMISSION USUN NY

TO SECSTATE WASHDC 3744

UNCLAS SECTION 1 OF 2 USUN 1473

E.O. 11652: N/A

TAGS: EGEN, UNGA

SUBJ: REVISED TEXT OF DRAFT RESOLUTION CONCERNING MSA'S,
AS DISCUSSED IN SUBGROUP OF WORKING GROUP OF AD
HOC COMITE (AKRAM DRAFT)

SPECIAL MEASURES TO MITIGATE THE IMMEDIATE DIFFICULTIES
OF THE DEVELOPING COUNTRIES MOST SERIOUSLY AFFECTED BY
ECONOMIC CRISIS BEARING IN MIND THE PARTICULAR PROBLEM
OF THE LEAST DEVELOPED AND LAND-LOCKED COUNTRIES.

THE GENERAL ASSEMBLY,

CONSIDERING THAT:

(1) THE SHARP INCREASE IN THE PRICES OF THEIR ESSENTIAL
IMPORTS SUCH AS FOOD, FERTILIZERS, ENERGY PRODUCTS, CAPITAL
GOODS, EQUIPMENT AND SERVICES HAVE GRAVELY EXACERBATED THE
INCREASINGLY ADVERSE TERMS OF TRADE OF A NUMBER OF DEVELOPING
COUNTRIES, ADDED TO THE BURDEN OF THEIR FOREIGN DEBT AND,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 01473 01 OF 02 240136Z

CUMULATIVELY, CREATED A SITUATION WHICH, IF LEFT UNTENDED,

WILL MAKE IT IMPOSSIBLE FOR THEM TO FINANCE THEIR ESSENTIAL IMPORTS AND RESULT IN A FURTHER DETERIORATION IN THE LEVELS AND CONDITIONS OF LIFE IN THESE COUNTRIES. THE PRESENT CRISIS IS THE OUTCOME OF ALL THE PROBLEMS THAT HAVE ACCUMULATED OVER THE YEARS: IN THE FIELD OF TRADE, IN MONETARY REFORM, THE WORLD-WIDE INFLATIONARY SITUATION, INADEQUACY AND DELAY IN PROVISION OF FINANCIAL ASSISTANCE AND MANY OTHER SIMILAR PROBLEMS IN THE ECONOMIC AND DEVELOPMENTAL FIELDS. IN FACING THE CRISIS, THIS COMPLEX SITUATION MUST BE BORNE IN MIND SO AS TO ENSURE THAT THE SPECIAL MEASURES ADOPTED BY THE INTERNATIONAL COMMUNITY TO PROVIDE EMERGENCY RELIEF AND ASSISTANCE TO THE MOST SERIOUSLY AFFECTED COUNTRIES ARE ACCOMPANIED BY STEPS TAKEN SIMULTANEOUSLY TO RESOLVE THESE OUTSTANDING PROBLEMS THROUGH A FUNDAMENTAL RESTRUCTURING OF WORLD ECONOMIC RELATIONS.

(2) THE SPECIAL MEASURES ADOPTED TO ASSIST THE MOST SERIOUSLY AFFECTED COUNTRIES MUST ENCOMPASS NOT ONLY THE RELIEF WHICH THEY REQUIRE ON AN EMERGENCY BASIS TO MAINTAIN THEIR IMPORT REQUIREMENTS BUT ALSO, BEYOND THAT, STEPS TO CONSCIOUSLY PROMOTE THE CAPACITY OF THESE COUNTRIES TO PRODUCE AND EARN MORE. UNLESS SUCH A COMPREHENSIVE APPROACH IS ADOPTED THERE IS EVERY LIKELIHOOD THAT THE DIFFICULTIES OF THE MOST SERIOUSLY AFFECTED COUNTRIES MAY BE PERPETUATED. NEVERTHELESS, THE FIRST AND MOST PRESSING TASK OF THE INTERNATIONAL COMMUNITY, IS TO ENABLE THESE COUNTRIES TO MEET THE SHORTFALL IN THEIR BALANCE OF PAYMENTS POSITIONS. BUT THIS MUST BE SIMULTANEOUSLY SUPPLEMENTED BY ADDITIONAL DEVELOPMENT ASSISTANCE TO MAINTAIN AND THEREAFTER ACCELERATE THEIR RATE OF ECONOMIC DEVELOPMENT.

(3) THE COUNTRIES WHICH HAVE BEEN MOST SERIOUSLY AFFECTED ARE PRECISELY THOSE WHICH ARE AT THE GREATEST DISADVANTAGE IN THE WORLD ECONOMY: THE LOW-INCOME, THE LEAST DEVELOPED AND LAND-LOCKED COUNTRIES. AN INDICATION OF THE COUNTRIES THUS AFFECTED, THE LEVEL OF THE IMPACT ON THEIR ECONOMIES AND THE KIND OF RELIEF AND ASSISTANCE THEY REQUIRE CAN BE ASSESSED ON THE BASIS OF THE FOLLOWING CRITERIA:

(I) PER CAPITA INCOME AS REFLECTION OF RELATIVE POORNESS AND LEVEL OF DEVELOPMENT;
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 01473 01 OF 02 240136Z

(II) SHARP INCREASE IN THEIR IMPORT COST OF ESSENTIALS;
(III) HIGH RATIO OF DEBT SERVICING TO EXPORT EARNINGS;
(IV) INSUFFICIENCY IN EXPORT EARNINGS, INELASTICITY OF EXPORTS AND UNAVAILABILITY OF EXPORTABLE SURPLUS;
(V) LOW-LEVEL OF FOREIGN EXCHANGE RESERVES.

(4) THE ASSESSMENT OF THE EXTENT AND NATURE OF THE MOST

SERIOUSLY AFFECTED COUNTRIES MUST BE MADE FLEXIBLY KEEPING IN MIND THE PRESENT UNCERTAINTY IN THE WORLD ECONOMY, THE ADJUSTMENT POLICIES THAT MAY BE ADOPTED BY THE DEVELOPED COUNTRIES, THE FLOW OF CAPITAL AND INVESTMENT. ESTIMATES OF THE PAYMENTS SITUATION AND NEEDS OF THESE COUNTRIES CAN BE ASSESSED AND PROJECTED RELIABLY ONLY ON THE BASIS OF THEIR AVERAGE PERFORMANCE OVER A NUMBER OF YEARS. LONG-TERM PROJECTIONS, AT THIS TIME, CANNOT BUT BE UNCERTAIN.

(5) IT IS IMPORTANT THAT ALL THE DEVELOPED COUNTRIES AS WELL AS DEVELOPING COUNTRIES SHOULD CONTRIBUTE TO THE SPECIAL MEASURES TO MITIGATE THE DIFFICULTIES OF THE MOST SERIOUSLY AFFECTED COUNTRIES ACCORDING TO THE CAPACITY AND STRENGTH OF THEIR ECONOMIES. IT IS NOTABLE THAT SOME DEVELOPING COUNTRIES, DESPITE THEIR OWN DIFFICULTIES AND DEVELOPMENT NEEDS, HAVE SHOWN A WILLINGNESS TO PLAY A CONCRETE AND HELPFUL ROLE IN AMELIORATING THE DIFFICULTIES FACED BY THE POORER DEVELOPING COUNTRIES. THE VARIOUS INITIATIVES TAKEN BY THE DEVELOPING COUNTRIES, SUCH AS THE PROPOSAL OF HIS IMPERIAL MAJESTY THE SHAHANSHAH OF IRAN TO CREATE A SPECIAL DEVELOPMENT FUND, THE INTENTION OF OPEC COUNTRIES TO ESTABLISH A FUND, VENEZUELA'S CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT FUND, THE EXPANSION IN THE SCOPE AND SIZE OF THE KUWAIT DEVELOPMENT FUND, THE SUGGESTION OF LIBYA FOR A MUL-TIER PRICE SYSTEM FOR THE SALE OF OIL, THE CREATION OF THE ISLAMIC DEVELOPMENT BANK, THE ARAB OIL FUND FOR AFRICA, THE ARAB BANK FOR AGRICULTURAL AND INDUSTRIAL DEVELOPMENT IN AFRICA, THE SOLIDARITY FUND ESTABLISHED BY THE NON-ALIGNED COUNTRIES, ARE ALL A REFLECTION OF THE CONCERN AND COMMITMENT OF THE RICHER DEVELOPING COUNTRIES TO AMELIORATE THE DIFFICULTIES OF THE OTHER DEVELOPING COUNTRIES.

(6) THE RESPONSE OF THE DEVELOPED COUNTRIES WHICH HAVE
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 USUN N 01473 01 OF 02 240136Z

BY FAR THE GREATER CAPACITY TO ASSIST THE AFFECTED COUNTRIES IN OVERCOMING THEIR PRESENT DIFFICULTIES MUST BE COMMENSURATE WITH THEIR RESPONSIBILITIES. THEIR ASSISTANCE MUST BE IN ADDITION TO THE PRESENTLY AVAILABLE LEVELS OF AID. THEY MUST FULFILL AND IF POSSIBLE EXCEED, THEIR COMMITMENTS UNDER THE INTERNATIONAL DEVELOPMENT STRATEGY ON FINANCIAL ASSISTANCE TO THE DEVELOPING COUNTRIES, ESPECIALLY THAT RELATING TO OFFICIAL DEVELOPMENT ASSISTANCE. THEY SHOULD ALSO GIVE SERIOUS CONSIDERATION TO THE CANCELLATION OF THE EXTERNAL DEBTS OF THE MOST SERIOUSLY AFFECTED COUNTRIES BEGINNING WITH LOANS PROVIDED FOR COMMODITIES WHICH HAVE BEEN CONSUMED AND PRODUCED NO ASSETS FROM WHICH THE LOANS CAN BE SERVICED. THIS WOULD PROVIDE THE SIMPLEST AND QUICKEST RELIEF TO THE AFFECTED COUNTRIES. THE CURRENT SITUATION SHOULD NOT LEAD THE INDUSTRIALIZED COUNTRIES TO

ADOPT WHAT WILL ULTIMATELY PROVE TO BE A SELF-DEFEATING
POLICY AGGRAVATING THE PRESENT CRISIS.

1. DECIDES, IN RESPONSE TO THE PROPOSAL OF H.E.
PRESIDENT BOUMEDIENE OF ALGERIA, TO LAUNCH A SPECIAL PROGRAMME
EXTENDING OVER THE NEXT EIGHT YEARS TO PROVIDE EMERGENCY
RELIEF AND DEVELOPMENT ASSISTANCE TO THE DEVELOPING COUNTRIES
MOST SERIOUSLY AFFECTED BY ECONOMIC CRISIS IN ORDER TO HELP
THEM OVERCOME THEIR PRESENT DIFFICULTIES AND TO ACHIEVE SELF-
SUSTAINED ECONOMIC DEVELOPMENT.

2. CALLS UPON THE INDUSTRIALIZED COUNTRIES AND OTHER
POTENTIAL CONTRIBUTORS TO EXTEND IMMEDIATE RELIEF AND ASSIST-
ANCE TO THE MOST SERIOUSLY AFFECTED COUNTRIES WHICH MUST BE
OF AN ORDER OF MAGNITUDE THAT IS COMMENSURATE WITH THE NEEDS
OF THESE COUNTRIES. SUCH ASSISTANCE
MUST BE IN ADDITION TO THE EXISTING LEVELS OF AID AND
PROVIDED ON 'GRANT' OR 'SOFT' TERMS, AND BE PROVIDED AT A
VERY EARLY DATE. THE CRITERIA FOR DISBURSEMENT AND RELEVANT
OPERATIONAL PROCEDURES AND TERMS MUST REFLECT THE ESSENTIAL
CHARACTERISTICS OF THIS EXCEPTIONAL SITUATION. THE ASSISTANCE
COULD BE PROVIDED EITHER THROUGH BILATERAL OR MULTILATERAL
CHANNELS, INCLUDING SUCH NEW INSTITUTIONS AND FACILITIES THAT
HAVE BEEN OR ARE TO BE SET UP.
SCALI

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 USUN N 01473 02 OF 02 240130Z

71
ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01

SCI-06 AEC-11 SPM-01 AGR-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 AID-20 CIEP-02 SS-20 STR-08 TAR-02

TRSE-00 USIA-15 PRS-01 SP-03 FEA-02 OMB-01 SWF-02

DRC-01 /259 W
----- 034508

R 240041Z APR 74
FM USMISSION USUN NEWYORK

TO SECSTATE WASHDC 3745

UNCLAS SECTION 2 OF 2 USUN 1473

THE SPECIAL MEASURES MAY INCLUDE THE FOLLOWING:

- (I) PREFERENTIAL PRICING FOR IMPORTS OF ESSENTIAL COMMODITIES AND GOODS;
 - (II) DEFERRED PAYMENTS FOR ALL OR PART OF IMPORTS OF ESSENTIAL COMMODITIES AND GOODS;
 - (III) COMMODITY ASSISTANCE, INCLUDING FOOD AID, ON GRANT BASIS OR DEFERRED PAYMENTS IN LOCAL CURRENCIES;
 - (IV) LONG-TERM SUPPLIERS' CREDITS ON EASY TERMS;
 - (V) LONG-TERM FINANCIAL ASSISTANCE ON CONCESSIONARY TERMS;
 - (V8) DRAWINGS FROM A SPECIAL IMF FACILITY ON CONCESSIONAL TERMS;
 - (VII) SPECIAL ISSUE OF IMF SPECIAL DRAWING RIGHTS, TO ASSIST THE MOST SERIOUSLY AFFECTED COUNTRIES;
 - (VIII) SUBSIDIES, INCLUDING THROUGH IDA FUNDS, WORLD BANK PROFITS OR A SPECIAL FUND FOR INTEREST ON FUNDS AVAILABLE ON COMMERCIAL TERMS BORROWED BY MOST SERIOUSLY AFFECTED COUNTRIES; (SIC)
 - (IX) NEGOTIATED DEBT CANCELLATION, MORATORIUM OR
- UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 01473 02 OF 02 240130Z

- RESCHEDULING;
- (X) PROVISION ON MORE FAVORABLE TERMS OF FINANCIAL RESOURCES, CAPITAL GOODS, AND TECHNICAL ASSISTANCE TO ACCELERATE THE INDUSTRIALIZATION OF THE AFFECTED COUNTRIES;
 - (XI) INVESTMENT IN INDUSTRIAL AND DEVELOPMENT PROJECTS ON FAVOURABLE TERMS;
 - (XII) SUBSIDIZING ADDITIONAL TRANSPORT AND TRANSIT COSTS, PARTICULARLY OF THE LANDLOCKED DEVELOPING COUNTRIES;

3. REQUESTS THE SECRETARY-GENERAL TO LAUNCH A WORLD-WIDE APPEAL TO MEMBER STATES TO PROVIDE RELIEF TO THE MOST SERIOUSLY AFFECTED COUNTRIES ON AN AMERGENCY BASIS, EITHER BILATERALLY OR THROUGH MULTILATERAL INSTITUTIONS, AND TO REPORT TO THE FIFTY-SEVENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL OF THD COMMITMENTS MADE BY 30 JUNE 1974;

4. APPEALS TOTHE DEVELOPED COUNTRIES TO CONSIDER THE CANCELLATION OF THE DEBTS OF THE MOST SERIOUSLY AFFECTED COUNTRIES AS AN IMPORTANTCT CONTRIBUTION TO MITIGATING THE GRAVE AND URGENT DIFFICULTIES OF THESE COUNTRIES;

5. DECIDES TO ESTABLISH AN AD HOC COMMITTEE OF MEMBERS

TO STUDY, ON THE BASIS OF THE INFORMATION PROVIDED BY THE MEMBER STATES AND COMPETENT ORGANIZATIONS OF THE U.N. SYSTEM, AND SUBMIT ITS RECOMMENDATIONS ON THE FOLLOWING MATTERS:

(I) THE VOLUME AND KIND OF ASSISTANCE REQUIRED BY THE MOST SERIOUSLY AFFECTED COUNTRIES BOTH ON AN EMERGENCY BASIS AND OVER THE COURSE OF THE NEXT FEW YEARS TO OVERCOME THEIR DIFFICULTIES.

(II) A LIST OF THE COMMODITIES AND GOODS ESSENTIALLY REQUIRED BY THE MOST SERIOUSLY AFFECTED COUNTRIES AND THE NEEDS OF THESE COUNTRIES FOR THESE PRODUCTS IMMEDIATELY AND OVER THE COURSE OF THE NEXT FEW YEARS;

(III) COLLECT AND COLLATE ALL THE RELEVANT INFORMATION AND DATA CONCERNING THE MEASURES ALREADY TAKEN TO ASSIST
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 01473 02 OF 02 240130Z

THEM THROUGH BILATERAL AND MULTILATERAL SOURCES AND THOSE THAT ARE STILL REQUIRED;

6. DECIDES, IN PRINCIPLE, TO ESTABLISH A SPECIAL DEVELOPMENT FUND AS PROPOSED BY HIS IMPERIAL MAJESTY THE SHAHANSHAH OF IRAN, UNDER THE AUSPICES OF THE UNITED NATIONS TO PROVIDE DEVELOPMENT ASSISTANCE AND RELIEF, PARTICULARLY TO THE MOST SERIOUSLY AFFECTED COUNTRIES, TAKING INTO ACCOUNT ITS BROAD FEATURES AS EXPLAINED BY THE DELEGATION OF IRAN IN A/AC.166/L.15 AND ITS STATEMENTS.

7. REQUESTS THE AD HOC COMMITTEE TO EXAMINE AND RECOMMEND, IN THE LIGHT OF ALL THE INFORMATION AVAILABLE TO IT, THE SCOPE, MACHINERY, MODES OF OPERATION ETC. OF THE SPECIAL DEVELOPMENT FUND, KEEPING IN MIND THE NEED FOR EQUITY IN REPRESENTATION, FULL UTILISATION OF EXISTING FACILITIES, AND THE NEED FOR A CENTRAL MONITORING BODY TO OVERSEE THE VARIOUS MEASURES BEING TAKEN IN THEIR ENTIRETY.

8. REQUESTS THE AD HOC COMMITTEE TO SUBMIT ITS REPORT AND RECOMMENDATIONS TO THE FIFTY-SEVENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL AND ASKS THE COUNCIL TO CONSIDER FURTHER MEASURES IN THE LIGHT OF THIS REPORT AND REPORT TO ITS 29TH SESSION.

9. REQUESTS THE IMF TO CONSIDER (A) REVISING THE SCHEME FOR A SPECIAL OIL FACILITY WITH A VIEW TO ENABLING THE MOST SERIOUSLY AFFECTED COUNTRIES TO PARTICIPATE IN IT; (B) A SPECIAL ISSUE OF SDR'S LINKED TO DEVELOPMENT FINANCING; (C) EXISTING PROPOSALS TO SUBSIDIZE INTEREST CHARGES ON COMMERCIAL FUNDS BORROWED BY DEVELOPING COUNTRIES;

10. REQUESTS THE WORLD BANK GROUP TO MAKE THE APPROPRIATE CHANGES IN THE OPERATIONAL AND INSTITUTIONAL PROCEDURES, ESPECIALLY OF IDA, TO ENABLE IT TO CHANNEL, ON AN IMMEDIATE BASIS, ADDITIONAL FUNDS FROM OTHER SOURCES.

11. DECIDES TO CONSIDER THE QUESTION OF SPECIAL MEASURES FOR THE MOST SERIOUSLY AFFECTED COUNTRIES AT ITS 29TH SESSION."

SCALI

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 USUN N 01473 02 OF 02 240130Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, RAW MATERIALS, LESS DEVELOPED COUNTRIES, LANDLOCKED COUNTRIES, INFLATION, ECONOMIC ASSISTANCE, UNGA RESOLUTIONS, IMPORT PRICES, DE BTS, PROGRAMS (PROJECTS), PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974USUNN01473
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740095-0752
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740416/aaaaaoah.tel
Line Count: 347
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: RM, THE WORLD-WIDE INFLATIONARY SITU, ATION, INADEQUACY
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by BryanSD>; APPROVED <02 JAN 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REVISED TEXT OF DRAFT RESOLUTION CONCERNING MSA'S, AS DISCUSSED IN SUBGROUP OF WORKING GROUP OF AD
TAGS: EGEN, UNGA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005